

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG RANGE PLANNING

Call to Order: By **CHAIRMAN DAVE KASTEN**, on January 13, 2003 at 8:30 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Dave Kasten, Chairman (R)
Sen. Tom Zook, Vice Chairman (R)
Rep. Christine Kaufmann (D)
Sen. Jon Tester (D)
Sen. Joseph (Joe) Tropila (D)
Rep. John Witt (R)

Members Excused: Sen. Bob Keenan (R)

Members Absent: None.

Staff Present: Catherine Duncan, Legislative Branch
Jane Hamman, OBPP
CJ Johnson, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HOUSE BILL 6 & 8 RENEWABLE RESOURCE
GRANT & LOAN APPLICATIONS;
HOUSE BILL 11 - TREASURE STATE
ENDOWMENT PROGRAM APPLICATIONS

Executive Action: None

**Ramsay, TSEP-Project #25 Page 154,
and RRGL-Project #8 Page 35**

CHAIRMAN KASTEN opened the hearing on Ramsay, TSEP-Project #25 Page 154, and RRGL-Project #8 Page 35.

Kim Hayes, TSEP-DOC, reviewed and recommended the funding of \$255,000 for this project.

Bob Fischer, RRGL-DNRC, said the funding is recommended for this project of \$100,000.

Proponents:

Dave Aune, Water Resource Manager for Tranco and Consultant for Ramsay Water District, said that the district doesn't own the property and cannot implement the well protection plan. They do not control access to the wells or the storage tank, and the solution is to drill two new wells near Ramsay and get them off of the DuPont industrial site. He asked that the Committee support this project.

Patrick McDermott, President of the Ramsay Water Sewer District, said that the project falls under financial need. The residents are paying \$42.50 per month, and if the TSEP and RRGL are not received this cost will go up. He stated his support for this project. Mr. McDermott distributed a summary report which he reviewed with the Committee.

EXHIBIT (j1h06a01)

Opponents: None

Questions from Committee Members and Responses:

REP. KAUFMANN questioned Patrick McDermott about the DuPont Dynamite Industrial facility, and asked if there was any way they could recover monies from this company to help fund this project. **Mr. McDermott** said that DuPont still owns the property which includes about 40 to 60 acres. He stated that they do not know if the company will help fund this, but they have been out there doing a lot of testing and have removed a number of bunkers in the last couple of years. He said that the materials were so contaminated that the company had to haul the materials to a special site over by Bozeman. **Mr. McDermott** said they didn't have the financial means to retain legal counsel to pursue this project. He asked if he could refer the question to Fred Phillips. **Fred Phillips** said he was the Project Manager for putting the PER study together for the Ramsay system. He

responded to REP. KAUFMANN'S question, stating they have looked at two possible sources of funding for this project: 1) Anarchy Natural Resources Program, and 2) to retain money from DuPont. He said they have not been able to receive any specific information from DuPont, who have been doing an environmental investigative study on the site for the last several years. **Mr. Phillips** said when they have requested a copy of the information on the study, they are told that it is "in-house," and when they decide to release it they will let them have a copy. He said when they checked into the Anarchy Program they were informed that it didn't tie in with the Natural Resources Damages Program. He has been informed that the DuPont Dynamite facility would have never been in Ramsay if there had never been a mine in Butte. The department's attorney checked in to this and felt that legally there was enough of a tie between the DuPont facility and the mining in Butte, and didn't feel they would be successful in obtaining funds for the project from DuPont.

CHAIRMAN KASTEN asked if the town of Ramsay is ready to start on the project if funding is approved. The response was, "Yes."

CHAIRMAN KASTEN closed the hearing on Ramsay.

**Ryegate, TSEP-Project #29 Page 174,
and RRGL-Project #23 Page 76**

CHAIRMAN KASTEN opened the hearing on Ryegate, TSEP-Project #29 Page 174, and RRGL-Project #23 Page 76.

Nancy Guccione, TSEP-DOC, reviewed and recommended the full TSEP funding of \$478,000.

Bob Fischer, RRGL-DNRC, reviewed and recommended the full RRGL funding of \$100,000.

Proponents:

Mark Solnosky, Mayor for the town of Ryegate, commented that the rates will go up without this funding and asked the Committee to support this project.

Mark Cunnane, Engineer on the Ryegate Water Project, summarized the project and distributed his testimony.

EXHIBIT(jlh06a02)

Cavin Noddings, P.E. Engineering, Inc., reviewed a report for the Committee.

EXHIBIT(jlh06a03)

Opponents: None

Questions from Committee Members and Responses:

CHAIRMAN KASTEN asked Mark Cunnane about the uncertainty in his testimony regarding the recreation grants. **Mr. Cunnane** replied that it is still in the works, but they are not able to receive a response on it at this time. He said that there is probably a 50/50 chance that it will come through because of the other funds that they are distributing. He said the plans were to construct a well with this money last summer. **CHAIRMAN KASTEN** asked him if they had a backup plan. **Mr. Cunnane** said it would have to be an increase in the USDA loan, which is an increase in their loan debt.

CHAIRMAN KASTEN closed the hearing on Ryegate.

**Scobey, TSEP-Project #12 Page 88,
and RRGL-Project #1 Page 17**

CHAIRMAN KASTEN opened the hearing on Scobey, TSEP-Project #12 Page 88, and RRGL-Project #1 Page 17.

Kim Hayes, TSEP-DOC, reviewed and recommended the full funding of \$500,000 for the Scobey project.

Bob Fischer, RRGL-DNRC, said that Scobey is ranked high on technical feasibility and resource benefits, and recommended the full \$100,000 for this wastewater project.

Proponents:

SEN. SAM KITZENBERG SD 48, stated his support for this project.

Bob Church, Engineer for Tranco, said he was the engineer that helped with this project. He gave a summary of the history of the wastewater system. He urged the Committee to support this project.

{Tape: 1; Side: A; Approx. Time Counter: 5 - 28}

Mr. Audee, Mayor of Scobey, said this is an expensive project, and has put the City of Scobey in a dilemma. He urged the Committee to support this project.

Questions from Committee Members and Responses: None

CHAIRMAN KASTEN closed the hearing on Scobey.

**Sheavers Creek, TSEP-Project 19 Page 125,
and RRGL-Project 11 Page 43**

CHAIRMAN KASTEN opened the hearing on Sheavers Creek, TSEP-Project 19 Page 125, and RRGL-Project 11 Page 43.

Jim Edgcomb, TSEP-DOC, said they recommend the request of \$500,000 for the Redgate Water System project.

Pam Smith, RRGL-DNRC, reviewed and recommended the full grant of \$100,000.

Proponents:

Lee Peters, Chairman of the Sheavers Creek Water District, informed the Committee that the water system is very old. He said there are many breaks in the system which shuts the water down approximately one time every 30 days. He said if the grant is approved, the City is ready to start the project.

EXHIBIT (j1h06a04)

{Tape: 1; Side: B}

Opponents: None

Questions from the Committee Members and Responses: None

CHAIRMAN KASTEN closed the hearing on Sheavers Creek.

**Stanford, TSEP-Project #9 Page 73,
and RRGL-Project #12 Page 46**

CHAIRMAN KASTEN opened the hearing on Stanford, TSEP-Project #9 Page 73, and RRGL-Project #12 Page 46.

Jim Edgcomb, TSEP-DOC, said they recommend the full grant request of \$500,000. He informed the Committee to make a correction in their TSEP book that the total project cost is \$1,936,900, not the figure in that is listed in the book.

Pam Smith, RRGL-DNRC, said this project has a very good technical feasibility report with alternative and financial analysis. She recommended full funding of \$100,000.

Proponents:

Dave Aune, Water Resource Manager with Tranco Engineering, he is representing the town of Stanford. He summarized the Town's wells stating they will have to abandoned some and drill some new ones. He said that 29 wells out of 38 wells that were constructed in 1928 have been abandoned.

Acelia Leach, Mayor of Stanford, submitted written testimony in support for this project, which she read.

EXHIBIT(jlh06a05)

REP. BILL THOMAS HD 93, stated his support to fund this project. He said the project is ready to go if the funding is approved.

Opponents: None

Questions from Committee Members and Responses:

REP. WITT asked **REP. THOMAS** if there is a population decline in Stanford. **REP. THOMAS** said there is some, but it isn't rapid. **REP. WITT** asked about the increase in water payment for the 20,000 residents, and if they are concerned about it. **REP. THOMAS** referred the question to **Acelia Leach, Mayor**. **Ms. Leach** said the community is concerned, but they are ready to pay the higher rate. **Dave Aune** said that it is very important to address communities that are not growing so they do not decline at a faster rate. He said the Town has passed a resolution that has long-term community planning that emphasizes their sustained current population. He said their perspective is to hang on to what they have today, not necessarily future growth, but hopefully that will come some day.

SEN. ZOOK asked **Dave Aune** if the wells in Stanford are artesian wells. **Mr. Aune** stated that they are. He said that most of the wells are 1,200 feet deep and produce six to eight gallons per minute (GPM).

CHAIRMAN KASTEN closed the hearing on Stanford.

**Geyser, Judith Basin County, TSEP-Project #2 Page 36,
and RRGL-Project #25 Page 81**

CHAIRMAN KASTEN opened the hearing on Geyser, Judith Basin County, TSEP-Project #2 Page 36, and RRGL-Project #25 Page 81.

Kim Hayes, TSEP-DOC, reviewed and recommended full funding of \$500,000 for this project. She said it ranked high on the list. There are two wells, which one is used for drinking and the other one is used for irrigating the school yard.

Pam Smith, RRGL-DNRC, reviewed and recommended full funding of \$100,000.

Proponents:

Dave Aune, Engineer with Tranco, representing the community of Geyser, summarized the water system and stated that the community of Geyser will also be adding a new water holding tank. He urged the Committee to fund this project.

Chris Schmitt, Member of the Geyser Board, stated his support for this project. He urged the Committee to approve the funding.

REP. BILL THOMAS HD 93, stated his support for this project.

Opponents: None

Questions from Committee Members and Responses:

CHAIRMAN KASTEN asked Dave Aune about DEQ report on cross contamination, and is their report justified. **Mr. Aune** responded.

**{Tape: 1; Side: B; Approx. Time Counter: 00 - 32}
{Tape: 2; Side: A}**

CHAIRMAN KASTEN closed the hearing on Geyser, Judith Basin County.

Chinook, TSEP-Project #4 Page 47

CHAIRMAN KASTEN opened the hearing on Chinook, TSEP-Project #4 Page 47.

Nancy Guccione, TSEP-DOC, recommended the requested grant of \$500,000.

Proponents:

Bill Olhmcke, Mayor of Chinook, stated his support for the project. He said that raw sewage could back up into basements, and also drain into the Milk River if this funding is not approved. He said that TSEP funds only take care of 70% of the projects. If the Governor's Office diverts \$8.5 million from the TSEP program as proposed is a big mistake. He said that communities will be unable to make the needed improvements to address unfunded mandates from the US EPA, or the communities will refuse to make the needed improvements. He said the project is ready to go if this funding is approved.

EXHIBIT(jlh06a06)

Annemarie Robinson, Deputy Director of Bear Paw Development, said she is before the Committee on behalf of the City of Chinook. She reemphasized that the City tried to do this project on their own by making application to Rural Utilities Service (RUS) who made a proposal back to the City by giving them a \$1.3 million grant, and a \$1.5 million loan contingent on receiving the TSEP funds.

Opponents: None

Questions from Committee Members and Responses:

SEN. ZOOK asked Jim Edgcomb about the difference in ratings from one project to the next, and how do they justify their decision. **Mr. Edgcomb** said the communities hold a hearing and inform the public what the proposed rates will be. He said they look at the Capital Improvement Plans (CIP), and the community's effort in soliciting that support.

CHAIRMAN KASTEN closed the hearing on Chinook.

Sheridan, Project #40 Page 226

CHAIRMAN KASTEN opened the hearing on Sheridan, Project #40 Page 226.

Jim Edgcomb, TSEP-DOC, said that they are recommending the requested grant of \$210,775. He said the proposed project will replace eight bridges.

Bill Nyby, Chairman of the Sheridan County Commission, stated his support for the TSEP funds. He distributed a handout and written testimony which he read.

EXHIBIT(jlh06a07)

Mickey McCall, Sheridan County, stated support for this project.

REP. DON HEDGES HD 97, stated his support and urged the Committee to fund this project. He distributed testimony.

EXHIBIT(jlh06a08)

Opponents: None

Questions from Committee Members and Responses:

The Committee asked questions and Mr. Nyby responded.

CHAIRMAN KASTEN closed the hearing on Sheridan County.

Yellowstone County, Project #43 Page 242

CHAIRMAN KASTEN opened the hearing on Yellowstone County, Project #43 Page 242.

Nancy Guccione, TSEP-DOC, reviewed and recommended the full grant of \$172,710. She said that this grant will replace one bridge.

Proponents:

Charles Brooks, representing the Board of Yellowstone County Commissioners, stated his support for this project. He distributed written testimony from William R. Gibbs, Public Works Director for Yellowstone County, which he read.

EXHIBIT(jlh06a09)

Opponents: None

Questions from Committee Members and Responses: None

CHAIRMAN KASTEN closed the hearing on Yellowstone County.

Lockwood, TSEP-Project #45 Page 251

CHAIRMAN KASTEN opened the hearing on Lockwood, TSEP-Project #45 Page 251.

Kim Hayes, TSEP-DOC, said this project is not recommended for funding because they fall below the funding line. The proposed project would construct a pre-sedimentation facility, and is not considered a serious threat to the community.

{Tape: 2; Side: B}

Proponents:

Rick Russell, Lockwood Water and Sewer District, said this is the first time they have applied for the TSEP for water. He said that they currently have a TSEP grant for a sewer project which is \$30 million. He feels that the reason they ranked below the funding line is due to the community being proactive, but said if they were mandated, that they would probably have rated more within the funding line. The pre-sedimentation facility is needed due to flooding of the Yellowstone River they have to turn the water treatment plant off so it doesn't fill up with water from the river.

SEN. JOE TROPILA stated his support for this project.

REP. GARY FORRESTER HD 75 wanted to go on record in support of this project.

Charles Brooks, representing the Yellowstone Board of County Commissioners, stated the Board wanted to go on record in support of this project. He asked the Committee to give serious consideration of Rick Russell's testimony.

Opponents: None

Questions from Committee Members and Responses:

CHAIRMAN KASTEN said with the CDBG grant, the SRF Loan and the Applicant cash on hand if the project is ready to go if the funding is approved. **Mr. Russell** said that the community would have to go forward with a debt service election which they are holding this March for the sewer project. He said they will do a debt service by mail ballot election in June or July for the water project. He said the two project need to be taken care of separately.

CHAIRMAN KASTEN closed the hearing on Lockwood.

Miles City, Project #54 Page 295

CHAIRMAN KASTEN opened the hearing on Miles City, Project #54 Page 295.

Jim Edgcomb, TSEP-DOC, said the project ranked below the funding line. He said they are recommending full funding due to insufficient funds in the Community. He said the score was low because of problems with the PER, and lacked showing there is a health and safety problem.

Proponents: None

Opponents: None

Questions from Committee Members and Responses:

CHAIRMAN KASTEN asked Jim Edgcomb if funds became available would the department recommend funding this project. **Mr. Edgcomb** said that the grant loan package through RUS has not been submitted, and wasn't sure if the department would fund it.

CHAIRMAN KASTEN closed the hearing on Miles City.

CHAIRMAN KASTEN adjourned the Committee.

ADJOURNMENT

Adjournment: 11:00 A.M.

REP. DAVE KASTEN, Chairman

CJ JOHNSON, Secretary

DK/CJ

EXHIBIT (j1h06aad)